are valued for compliance purposes using the adjustment factor specified in paragraph (c) of this section, pursuant to the “total oil savings” requirement of 49 U.S.C. 32903(f)(1).

(c) Adjustment factor. When traded or transferred and used, fuel economy credits are adjusted to ensure fuel oil savings is preserved. For traded credits, the user (or buyer) of credits must multiply the calculated adjustment factor by the number of its shortfall credits it plans to offset in order to determine the number of equivalent credits to acquire from the earner (or seller). For transferred credits, the user of credits must multiply the calculated adjustment factor by the number of its shortfall credits it plans to offset in order to determine the number of equivalent credits to transfer from the compliance category holding the available credits. The adjustment factor is calculated by the following formula:

$$A = \left( \frac{VMTu \times MPGae \times MPGse}{VMTe \times MPGau \times MPGsu} \right)$$

Where:

- $A$ = Adjustment Factor applied to traded or transferred credits;
- $VMTu$ = Lifetime vehicle miles traveled as provided in the following table for the model year and compliance category in which the credit is used for compliance;
- $VMTe$ = Lifetime vehicle miles traveled as provided in the following table for the model year and compliance category in which the credit was earned;
- $MPGae$ = Actual fuel economy for the originating (earning) manufacturer, compliance category, and model year in which the credit was earned;
- $MPGau$ = Actual fuel economy for the user (buying) manufacturer, compliance category, and model year in which the credit is used for compliance;
- $MPGse$ = Required fuel economy standard for the originating (earning) manufacturer, compliance category, and model year in which the credit was earned;
- $MPGsu$ = Required fuel economy standard for the user (buying) manufacturer, compliance category, and model year in which the credit is used for compliance.

§ 536.5 Trading infrastructure.

(a) Accounts. NHTSA maintains “accounts” for each credit holder. The account consists of a balance of credits in each compliance category and vintage held by the holder.

(b) Who may hold credits. Every manufacturer subject to fuel economy standards under 49 CFR parts 531 or 533 is automatically an account holder. If the manufacturer earns credits pursuant to this regulation, or receives credits from another party, so that the manufacturer’s account has a non-zero balance, then the manufacturer is also a credit holder. Any party designated as a recipient of credits by a current credit holder will receive an account from NHTSA and become a credit holder, subject to the following conditions:

(1) A designated recipient must provide name, address, contacting information, and a valid taxpayer identification number or social security number;

(2) NHTSA does not grant a request to open a new account by any party other than a party designated as a recipient of credits by a credit holder;

(3) NHTSA maintains accounts with zero balances for a period of time, but reserves the right to close accounts that have had zero balances for more than one year.
§ 536.6 Treatment of credits earned prior to model year 2011.

(a) Credits earned in a compliance category before model year 2008 may be applied by the manufacturer that earned them to carryback plans for that compliance category approved up to three model years prior to the year in which the credits were earned, or may be applied to compliance in that compliance category for up to three model years after the year in which the credits were earned.

(b) Credits earned in a compliance category during and after model year 2008 may be applied by the manufacturer that earned them to carryback plans for that compliance category approved up to three years prior to the